

Unless H.R. 3915 is signed by the President soon, the 504 program will shut down on Monday.

The ranking minority member and I have been working together on finding a solution to the 7(a) problem. Due to a variety of reasons, unfortunately, that solution is not part of this legislation. I pledge to the gentlewoman from New York (Ms. VELÁZQUEZ) that I will do everything in my power to see to a resolution in the 7(a) problem as soon as possible.

I urge my colleagues to support H.R. 3915.

Mr. Speaker, I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is with great reluctance that I agree to the second short extension of the Small Business Administration. We are here today because this body has not been able to get our job done. All we ever hear from this administration and the majority party is how important small businesses are, but when we have a chance to do something as simple as ensuring small business of the capital they need to survive, no one from the other sides of the aisle is willing to step up to the plate.

The administration's lack of commitment in supporting reauthorizing the Small Business Administration clearly demonstrates a disconnect between what they say and what they are willing to do. The administration has no problem depriving thousands of small businesses of the only affordable lending opportunities open to them. They are unconcerned that their decision to cut the 7(a) program jeopardizes over one-third of all 7(a) loans.

This administration could not care less that thousands of small businesses that were guaranteed loans by Small Business Administration had their loans stripped out from under them and may now face bankruptcy. It does not seem to bother them one bit that they are driving lenders out of the 7(a) program, leaving even more small companies with no resources to build their businesses. You would think that job creation might get President Bush's attention, but his administration is denying small businesses access to \$3 billion in loans this year alone, which will result in 90,000 lost jobs.

The administration and the Republican leadership may be perfectly comfortable slamming the door shut on small businesses struggling to compete in the weak economy, but I am not. The 7(a) program has been on life support since January. The Small Business Administration flagship lending program was first shut down in early 2004 due to lack of funds. Small business owners, some who have put down their life savings, some who had plans to expand and hire new employees, some who were going to purchase new equipment found themselves left in the lurch. Even though they had played by

the rules, submitted their applications on time and were approved for a loan, the Federal Government failed to honor its commitment to them.

Both fairness and accountability flew out the window when the program was shut down and applications were returned to small business borrowers.

Still today these small businesses are waiting for some relief. When it was reopened, the program saw new restrictions that are still in place. In its current state, the 7(a) program fails to serve the very small businesses Congress had in mind when it created this program in the first place. They are causality of this administration's lack of commitment to small businesses. And that is just plain wrong. We must address this crisis immediately.

Our small businesses do not ask for much. Yet, they give so much in return. They create jobs in our local community. They pave the way for individuals to reach the American dream. They train our workers and generate new ideas. We should be given back giving back to them what they have given to us. And what does this bill give them? It gives them nothing. Now more than ever, our Nation needs small companies to succeed. They are the driving force of job creation in our economy. America's hard-working small businesses should be able to count on Congress to improve the Small Business Administration and its critical programs. Unfortunately, we are failing.

Mr. Speaker, I would like to yield to the chairman of the committee for the purpose of entering into a colloquy.

Would the chairman be willing to assure me that he will work to make changes to the 7(a) lending program by April 2, 2004?

Mr. MANZULLO. Mr. Speaker, will the gentlewoman yield?

Ms. VELÁZQUEZ. I yield to the gentleman from Illinois.

Mr. MANZULLO. I thank the ranking member. I will be willing to enter into a colloquy.

I will assure the ranking member that I will work with her to make changes to the 7(a) lending program by April 2, 2004 that will resolve the problems currently affecting the 7(a) program through the end of fiscal year 2004. I make the sincerest assurance that these negotiations will involve all relevant parties, including House leadership and the White House and that the gentlewoman and her staff will be involved in such negotiations. I truly believe that we can solve this problem together.

Ms. VELÁZQUEZ. I thank the chairman. I appreciate his willing to willingness to work this issue out in a timely manner. However, given past experiences with the gentleman and our so-called agreements, I am sure you can understand my need to make this agreement abundantly clear with the gentleman.

Mr. Speaker, small businesses continue to suffer under the current 7(a)

program restrictions, and we cannot continue to ignore this issue. It is the most pressing issue that the gentleman have jurisdiction over. I thank the Chairman.

Mr. MANZULLO. I would like to thank the ranking member from New York for entering into this colloquy and resolving this issue amicably.

Ms. VELÁZQUEZ. Mr. Speaker, I yield back the balance of my time.

Mr. MANZULLO. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GERLACH). The question is on the motion offered by the gentleman from Illinois (Mr. MANZULLO) that the House suspend the rules and pass the bill, H.R. 3915, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "To provide for an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through April 2, 2004, and for other purposes."

A motion to reconsider was laid on the table.

#### APPOINTMENT AS MEMBER TO NATIONAL PRISON RAPE REDUCTION COMMISSION

The SPEAKER pro tempore. Pursuant to section 7(b)(1) of the Prison Rape Elimination Act of 2003 (42 U.S.C. 15606), and the order of the House of December 8, 2003, the Chair announces the Speaker's appointment of the following member on the part of the House to the National Prison Rape Reduction Commission:

Mr. Pat Nolan, Leesburg, Virginia

#### SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Mexico (Mr. UDALL) is recognized for 5 minutes.

(Mr. UDALL of New Mexico addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CAMP) is recognized for 5 minutes.

(Mr. CAMP addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BOYD) is recognized for 5 minutes.

(Mr. BOYD addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### HEALTH SAVINGS ACCOUNTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Mexico (Mr. PEARCE) is recognized for 5 minutes.

Mr. PEARCE. Mr. Speaker, I rise this evening to discuss the inclusion of health savings account in the Medicare legislation. It is one of the most exciting provisions to business owners in my district.

Health savings accounts are going to change the way that our country looks at health care. It is going to change the way that our companies buy health care. Basically a health savings account is simply an IRA. It is a medical IRA. It is a medical IRA where we are allowed to put money in tax free at any age up to \$5,500 a year. An employer or the plea can make the contribution.

The nice thing about the health savings account is that it can be taken out at any age if it is used for medical purposes. So unlike other IRAs which have to be deducted or taken out of the savings accounts after you are 62½, health savings accounts can be taken out now at any age. It can be used to pay for premiums, deductibles, co-pays, prescription drugs, medical supplies or any medical treatments.

The value of this is, Mr. Speaker, that we are going to get to about 30 percent more buying power with our dollar because we make tax free contributions into the plan and we can take tax free contributions out if we pay for legitimate medical expenses.

The nice thing also is that it becomes a part of your estate. It travels with you. It is a thing that will go to the next generation if you do not use it. And so it is a way for you to prepare for your medical expenses, but if you do not use the account, then it becomes a way for your children to pay for their medical expenses.

I think that the example of my company is a very good one, Mr. Speaker. We used to have a company with 50 employees. Almost every year we gave bonuses to employees. I would tell you that if we still owned the business, that we would begin to pay those bonuses sometimes 2, 3, 4, and \$5,000 a year into the health savings account. That way we could begin to have the employees use tax free money to pay for their premiums in the program, and if they used the medical services to pay for their deductible, so with tax free money.

Now, if I am paying \$5,000 a year into an account for every employee, 2 or 3 years down the road, each employee would probably have 10 to \$15,000 in their medical savings account, their health savings accounts. At that point, I would begin to shop for \$5,000 deductible rather than \$500 deductible. The resulting collapse in premiums is something that I will guarantee will be

attractive to every single small business owner in America and most large businesses. Each employee is going to want to look at this as a way to begin to prepare for their medical future.

The important aspect of the health savings account is that after we establish these large accounts to be used for medical purposes for our employees, and they know it is a part of their estate, they will begin to look at their medical decisions with regard to the amount of money that is coming out of their health savings account. It is one of the things that we think will depress the demands, the arbitrary demand that sometimes goes along with medical decisions today.

We think that the health savings accounts is one of the most important pieces of legislation passed during the past year. When employers in my district hear about it, they call our office and begin to ask can they buy that now.

□ 2000

Most insurance companies will begin to have plans this year. Most are saying to me that they will have the plans up and running by the mid-year June of 2004. I think that in the future years, as employers and employees alike begin to combine their efforts into the health savings account, we are going to find real changes in the way that medical care is paid for in this country, and that is the beginning point of most of the reforms that are going to make medical insurance available and affordable to all Americans.

Mr. Speaker, I salute this House in passing the prescription drug bill with the Medicare reforms that included the Health Savings Account.

#### RURAL HEALTH CARE FOR VETERANS

The SPEAKER pro tempore (Mr. GERLACH). Under a previous order of the House, the gentleman from Texas (Mr. STENHOLM) is recognized for 5 minutes.

Mr. STENHOLM. Mr. Speaker, I am proud tonight to stand and take these 5 minutes in support of the Rural Veterans Access to Care Act of 2003 introduced by my good friend the gentleman from Nebraska (Mr. OSBORNE). I am just happy to say I am glad to be in his line-up tonight.

Mr. Speaker, I rise today to speak about an issue that is very important to me, the health care of rural veterans and the challenges that these patriotic Americans who have so proudly served our Nation in times of war today face. I am proud to address their concerns about access to health care and the unique obstacles they face for medical treatment.

Why is this so important? The answer is very simple. We owe these brave men and women who fought for our freedom and defended our liberty, including those who are doing so tonight as I speak. Today's soldiers are tomorrow's

veterans, and we have those in Iraq and Afghanistan doing once again their duty in order that we might remain this free and proud Nation.

Mr. Speaker, I come from a very rural district. To say that my district is rural is an understatement. The 17th District of Texas is 33,836 square miles, in fact larger, than six States.

This talk about the size of my district can also give my colleagues an idea of how far it is to drive for a veteran to receive health care, in fact how far it is to get anywhere. In the 17th District, there is no subway to take a person from one end to another. A taxi ride would take a few hours and be outrageously expensive, and bus lines do not run from the bedroom community of Ft. Worth to the outskirts of Lubbock.

So what does all of this size and magnitude have to do with rural veterans? Well, it has a lot to do with them. If anyone here has been to my district, they know how long it takes to get from point A to point B, but to veterans in need of health care in West Texas, a 2-hour drive is not just a jaunt down the road or a time to think and reflect. For these folks, a long drive is a very big challenge.

I am proud to stand by the veterans of my district, and again I say, stand as a cosponsor of the Rural Veterans Access to Care Act of 2003.

The gentleman from Nebraska's (Mr. OSBORNE) bill goes a long way to helping to alleviate some of the difficulties faced by rural veterans. I am glad he is stepping onto the field to fight for rural veterans, and I am proud to be standing with him.

I endorse his idea that no less than 5 percent of appropriations to VA health care should be used to improve access to medical services for highly rural or geographically remote veterans.

Last year, I was deeply disappointed by the leadership's implicit acceptance of using veterans' resources for political expediency. The VA appropriations bill for fiscal year 2004 broke a promise made to our veterans. The measure contained \$1.8 billion less in veterans' health care than was promised last year by the Republican leadership in the budget resolution. We all know that the leadership's first priority during the budget negotiations last year was achieving large tax cuts.

Along with several of my colleagues, we warned that the commitments made for increasing funding for veterans' health care, along with large tax cuts, could not be kept. For this reason, I supported a smaller tax cut that would allow the promise to be honored. We were later informed that the commitment would be honored, but when it came time to act, the leadership found they could not keep this promise, along with the large tax cut after all, but that was last year.

I am hopeful that 2004 will bring greater sense to those in power. I pray that 2004 will bring greater loyalty to those who were told that they will be remembered.